

## **Spouses of service members might not owe OK taxes**

The Military Spouses Residency Relief Act of November 2010 amended the Service member Civil Relief Act to provide that a spouse shall neither lose nor acquire domicile or residence in a state when the spouse is present in the state solely to be with the service member in compliance with the service member's military orders if the domicile is the same for both the service member and spouse.

The Act is effective for taxable year 2009 and thereafter. It does not affect taxes imposed or paid for 2008 and earlier.

### **How the Act Affects Income Tax**

A nonresident spouse of a nonresident service member may be exempt from Oklahoma income tax on income from services performed in Oklahoma if all three of these statements are true:

- . The service member is present in Oklahoma in compliance with military orders;
- . The spouse is in Oklahoma to be with the service member; and
- . The spouse maintains the same domicile as the service member.

Any refunds for taxable year 2009 may be claimed on or after January 1, 2010 by filing a Form 511NR 'Oklahoma Nonresident/Part-Year Income Tax Return'.

### **How the Act Affects Withholding Tax**

A spouse whose wages are exempt from Oklahoma income tax under the SCRA may claim an exemption from Oklahoma withholding tax. Spouses wishing to claim this exemption from income tax may file a Form OW-9-MSE: Annual Withholding Tax Exemption Certification for Military Spouse with their employer.

Spouses claiming exemption from Oklahoma income tax should consider the impact on their income tax (and estimated income tax) liability in their domicile state.

The Oklahoma Tax Commission has additional information and a section of Frequently Asked Questions on their website at [www.tax.ok.gov](http://www.tax.ok.gov).